



# California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

## News Release

FOR IMMEDIATE RELEASE

Docket #: A.00-11-038

Media Contact: Terrie Prosper, 415.703.1366, [news@cpuc.ca.gov](mailto:news@cpuc.ca.gov)

### **PUC ALLOCATES DWR COSTS MORE EQUITABLY FOR SAN DIEGO**

SAN FRANCISCO, June 30, 2005 - The California Public Utilities Commission (PUC) today revised the amounts Pacific Gas and Electric Company (PG&E), Southern California Edison, and San Diego Gas and Electric Company will contribute to the revenue requirement of the California Department of Water Resources (DWR) for its power purchase contracts in 2004 and beyond.

The cost allocation methodology adopted leaves the variable costs of the DWR contracts as previously allocated by the Commission (D.02-09-053), and separately allocates the fixed costs of the DWR contracts as follows: PG&E 42.2 percent, Edison 47.5 percent, and SDG&E 10.3 percent. This represents approximately \$325 million, over ten years, shifted away from San Diego ratepayers and divided equally among the ratepayers of Edison and PG&E.

The methodology adopted is effectively a compromise between the proposals originally presented by the parties in this case. In adopting this order, the Commission has reconsidered the policy grounds on which it adopted a previous decision (D.05-01-036), in part determining it creates a disproportionate rate effect on SDG&E ratepayers because the San Diego area represents only about 10 percent of the electricity used in the state.

“After a complete evidentiary review, we determined that a new allocation was needed to make the DWR’s costs more equitable to San Diego consumers,” said PUC President Michael R. Peevey, the sponsor of today’s decision. “SDG&E’s customer base is relatively small compared to that of PG&E and Edison, and any reassignment of costs creates a disproportionate burden on its ratepayers.”

The cost allocation summary can be found in Appendix A of the today’s decision:  
[http://www.cpuc.ca.gov/word\\_pdf/AGENDA\\_DECISION/46820.doc](http://www.cpuc.ca.gov/word_pdf/AGENDA_DECISION/46820.doc).

For more information on the PUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

###